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*Jeffrey M. Nelson*  
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July 13, 2017

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Application of South Carolina Electric & Gas Company to Continue Its Turbine  
Maintenance Accrual for Another Eight Year Term  
**Docket No. 2017-210-E**

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and discussed with the South Carolina Electric & Gas Company's ("SCE&G" or "Company") personnel the Company's filing in the above-referenced docket. Based on our review of the information provided, ORS does not object to the Company's Application to continue its Turbine Maintenance Accrual for Another Eight Year Term.

By Order No. 2005-2, The Public Service Commission of South Carolina ("Commission") authorized SCE&G to set a levelized annual amount for turbine maintenance expense in its retail electric base rates and record in a regulatory asset or liability account the difference between the levelized amount and the actual amount of turbine maintenance expense incurred. In Order No. 2010-471 the Commission allowed the Company to make an adjustment to the levelized annual amount included in its retail electric base rates and continue its turbine maintenance accrual. This amount was based upon the Company's projection of maintenance expenses for the 2010-2017 time period, however, is silent as to whether the Company may continue its turbine maintenance

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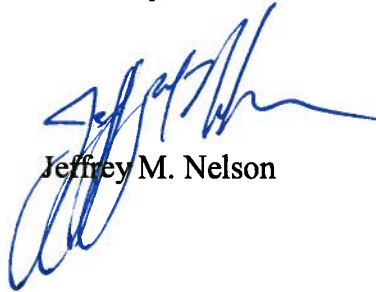
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accrual beyond 2017. SCE&G is not requesting an adjustment to the levelized accrual amount in base rates at this time, it is requesting to continue to record any difference between the levelized amount and the actual amount of turbine maintenance expense incurred as a regulatory asset or liability for another eight-year term until December 31, 2025.

The Company states that turbine maintenance is critical to maintaining the reliability of SCE&G's coal and natural gas-fired combined cycle generation fleet, and preventing destructive failures in the turbines that power these units. The company also states that the turbine maintenance accrual has adequately addressed this issue and worked well since its implementation in 2005.

Thank you for your consideration in this matter and please do not hesitate to contact me if you have any concerns regarding the matter above.

Sincerely,



Jeffrey M. Nelson

cc:

K. Chad Burges, Esquire (via E-Mail)  
Joseph Melchers, Esquire (via E-Mail)